



R.20-01-007 Track 1B Workshop: Market Structure and Regulations

July 21, 2020 | 9:30 a.m. – 4:30 p.m. | Remote Participation Only

Remote Participation Link:

<https://cpuc.webex.com/cpuc/onstage/g.php?MTID=e91dff6a74860f87b4e26f7335b7cadf6>

Toll Free Call-in: 1-855-282-6330

Meeting Access Code: 146 066 7997 Meeting Password: Gasplanning0

Workshop Purpose: This workshop covers Track 1B of the Assigned Commissioner’s Scoping Memo and Ruling, issued on April 23, 2020.¹ This workshop seeks to provide stakeholders with a common understanding of the issues, gather information and facts, and seek feedback and input. Additionally, workshop participants may begin to develop possible future scenarios and suggest potential solutions.

Intended Outcome: Participants and attendees will have a better understanding of the facts upon which testimony, hearings (if needed), and briefs (if needed) will proceed. Energy Division staff will publish a workshop report in September that will provide recommendations or, at a minimum, a range of options for resolving the issues.

WORKSHOP AGENDA

9:30 – 9:40

Welcome

ALJ Ava Tran
Energy Division Staff

9:40 – 10:25

Gas Demand Fluctuation and Interstate Capacity Contracts: Risks and Resolutions (15 mins each)

California’s gas-fired electric generators primarily rely on interruptible contracts for interstate transportation services. According to the WECC Gas-Electric Interface Study, the reliability risks inherent in this arrangement were previously mitigated by the flexible capacity of Aliso Canyon. Will the combination of increasingly variable gas demand, interruptible interstate capacity contracts, and lack of flexible supplies pose risks to California? (Scoping Memo Issues 1-1a)

Eric Eyberg, Wood Mackenzie, and **Arne Olson**, E3
Steve Williams, Southwest Gas
Tom Beach, Crossborder Energy

10:25 – 10:40

Q&A

10:40 – 10:50

Break

¹ The scope of Track 1B can be found in the Assigned Commissioner’s Scoping Memo and Ruling here: <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M334/K581/334581865.PDF>.

- 10:50 – 12:25** **Reliability in All Timescales: Getting Gas to Electric Generators** (15 mins each)
 The expansion of intermittent energy resources, such as wind and solar, is currently dependent on the complementary ability of gas-fired generators to meet intraday ramping needs and to generate electricity during the “dunkelflaute” periods in winter when California has very little wind or solar generation for days at a time. Participants will discuss potential measures that can be undertaken to meet the intraday and interday needs of gas-fired electric generators. (Scoping Memo Issues 1b-1c)
- Delphine Hou**, California Independent System Operator (CAISO)
Norman Pedersen and **Catherine Yap**, Southern California Generation Coalition
Jan Smutny-Jones, Independent Energy Producers
Jane Long, California Council on Science and Technology (CCST)
Jeffrey Reed, on behalf of CA Hydrogen Business Council
Deborah Behles, on behalf of California Environmental Justice Alliance
- 12:25 – 12:40** **Q&A**
- 12:40 – 1:35** **Lunch Break**
- 1:35 – 2:35** **Gas System Constraints and Electric Price Volatility: Potential Solutions** (15 mins each)
 Participants will discuss whether the CPUC, the CAISO, or market participants themselves should establish new contracts, rules, or tariffs to decrease the risk of electric price volatility in the wake of recent gas supply issues. (Scoping Memo Issue 2)
- Jonathan Peress** and **Michelle Dandridge**, SoCalGas/SDG&E
Marci Palmstrom, Southern California Edison
Delphine Hou, California Independent System Operator (CAISO)
Dr. Eric Woychik, Utility Consumers’ Action Network (UCAN)
- 2:35 – 2:50** **Q&A**
- 2:50 – 3:00** **Break**
- 3:00 – 3:45** **Potential Uniformity of Pipeline Operating Procedures** (15 mins each)
 Participants will discuss whether pipeline operating procedures, such as operational flow orders and curtailment rules, should be uniform across the state and whether lack of uniformity has the potential to cause market or reliability impacts. (Scoping Memo Issue 3)
- Roger Graham**, Pacific Gas & Electric
Paul Borkovich, SoCalGas/SDG&E
Norman Pedersen and **Catherine Yap**, Southern California Generation Coalition
- 3:45 – 4:00** **Q&A**

4:00 – 4:25 **Final Comments and Q&A (Open to All)**

4:25 – 4:30 **Closing Remarks**
Energy Division Staff

Note: It is expected that one or more CPUC Commissioners may attend and participate in the workshop. One or more advisors to the CPUC Commissioners, as well as other decision-makers, may also be in attendance. The agenda will be publicly noticed on the CPUC's Daily Calendar 10 days in advance, so statements made at the workshop will not constitute a reportable *ex parte* contact. The workshop will be recorded. This agenda is subject to change